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**1959/11/23**

TOP SECRET

FROM FOREIGN OFFICE TO WASHINGTON

Cypher/OTP

P R I S E C

No. 5034

November 23, 1959.

D.10.15 p.m. November 23, 1959.

IMMEDIATE

TOP SECRET

Your telegram No. 2419 [of November 16]:

Following personal for Ambassador from the Secretary of State.

I have now received Mr. Herter's reply dated November 17. A copy is being sent to you by bag. The salient points as you no doubt already know are that in Mr. Herter's opinion the situation in Cuba is steadily deteriorating, that Castro's régime is falling increasingly under left-wing domination, that internal opposition to his Government is growing and, that the chances of his falling from power are rising. Mr. Herter would seem to have written off any chances of cooperating with Castro and does not feel that to supply him with arms is likely to bring about any improvement in his attitude. On the contrary, he makes it clear that for the United Kingdom "one of our principal Allies" to supply Cuba with arms at this juncture would be highly distasteful to the United States Government. He discounts the likelihood of the Cuban Government obtaining aircraft from the Iron Curtain countries and thinks they would hesitate to do so for fear of alienating the sympathies of the other Latin American countries. He concludes by emphasizing his concern lest the whole embargo policy breaks down as a result of a decision by Her Majesty's Government to allow the export of these Hunter aircraft.

2. Simultaneously with the receipt of this letter, the American Department have had a conversation with an American business man visiting this country who has considerable interests in Cuba and also contacts with the C.I.A. It emerged from this conversation, a record of which is being sent to your Embassy, not only that business circles in the United States are becoming increasingly concerned over the deterioration in the situation in Cuba, but that the latest assessment is that Castro, to whom they recently gave another 12 months' life, is now not likely to last for more than two or three months. Sir Paul Gore-Booth has also reported the concern which many of the persons he met during his recent visit to the United States expressed about developments in Cuba. We know too that British firms concerned with Cuba are greatly worried about the situation there, while today's papers contain further reports of what on the face of it, would appear to be unilateral action by the Cuban Government directed against foreign oil companies in the Island.

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3. I am inclined to think that this is not all United States propaganda and that the position in Cuba really is deteriorating and that the future is uncertain. In these circumstances and in view of the known attitude of the United States Government there are obviously strong arguments against Her Majesty's Government taking any action, such as allowing the export of the Hunter aircraft, which could tend still further to complicate the situation. From what Mr. Hankey tells us I understand you to feel that although, if we were to decide to go ahead and authorise the export of the aircraft, this would be extremely distasteful to the United States Government, this reaction would not be likely to last very long or seriously to prejudice our relations with the United States administration for any length of time. On the other hand, I cannot overlook the fact that from the point of view of the United States public we should be taking action which they would regard as helping one of their declared enemies in an area which they feel to be of special strategic and political importance to themselves.

4. I am however under a great deal of pressure from the Cuban Ambassador and have today received a request for a final answer. If the Cubans decide instead to buy these aircraft from an Iron Curtain country involving us losing this order worth about \$1 million, Her Majesty's Government will be subject to a great deal of criticism here and the fact that it would be represented that we had given way to American pressure would not make things any easier.

5. In the circumstances, I am inclined to think that the right course is to tell the Ambassador that Her Majesty's Government although sympathetically inclined cannot take any decision at the present time in view of the existing uncertain state of affairs in the Island, but that we would be very ready to look at the matter again once things have calmed down and in the light of the relations then prevailing between Cuba and her neighbours including the United States.

6. Before, however, I decide what to say to the Cuban Ambassador, there is one point which I should like to clear up. Various pieces of information which have reached us suggest that if things do not take a turn for the better in Cuba pretty soon, the United States authorities may be contemplating trying to stimulate or support an anti-Castro movement there along the lines of the action they took in Guatemala some years ago. Naturally, if this was the case, this would have a direct bearing on our decision regarding the Hunters. Can you find out, for the information of the Prime Minister and myself alone, whether the Americans have in fact anything of this kind on the stocks and if so what are its timing and prospects of success?